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C O N F I D E N T I A L SECTION 01 OF 03 VILNIUS 000646

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SUBJECT: LITHUANIA'S SEIMAS ELECTIONS: POPULISTS IN STRONG  
POSITIONS

Classified By: Charge d'Affaires a.i. Damian Leader for reasons 1.4 (b)  
and (d).

[11](#). (U) This is the first in a series of reports on the  
upcoming parliamentary elections in Lithuania.

[12](#). (C) SUMMARY. Lithuania will hold parliamentary elections  
on October 12. It is unlikely that a single party will win  
even a third of the parliament's seats and a coalition will  
be necessary. A Paksas-Uspaskich populist coalition is  
possible, but other coalitions are more likely: a rainbow  
Conservative-Liberal-Social Democrat coalition or a  
center-left coalition including Labor. We do not expect that  
any of the likely outcomes would lead to major changes in  
bilateral relations. Recent rhetoric by Paksas, however,  
would raise concerns if his party were to become part of a  
ruling coalition. End summary.

Plenty of Room for Populists and Others  
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[13](#). (U) Lithuania holds parliamentary elections October 12,  
filling its 141-seat Seimas with 70 candidates chosen by  
party list, and 71 chosen in single-mandate districts.  
Because the latter require over 50 percent of the vote to be  
elected, most will go to a run-off on October 26 between the  
top two vote-getters. As many as 11 parties have a realistic  
chance of winning at least one seat through the single  
mandate districts or by meeting the required five percent  
hurdle to win seats via party list.

[14](#). (U) Lithuania's mixed election process, because it is  
combined with a relatively immature democracy, a media not  
inclined to serve as a political watchdog, and NGOs with  
limited capacity to do so, provides opportunities for  
multiple parties, including populist ones. Many political  
commentators believe that business interests and others,  
including the clique of bureaucrats known as the "statesmen"  
(valstybininkai), who allegedly exercise control from behind  
the scenes, encourage and benefit from the disorder in  
Lithuanian politics and the current absence of strong  
leaders. Others claim Russia is the real beneficiary of  
Lithuania's lack of strong parties, and believe (without  
producing evidence) that the Kremlin financially backs the  
populist parties.

Four parties lead opinion polls  
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[15](#). (U) Four parties have led the polls in recent months:  
two "traditional" parties, the Conservatives (Homeland Union)  
and the Social Democrats; and two "populist" parties, Labor,  
and Order and Justice. The Conservatives and Social  
Democrats sit comfortably on the right and left wings of  
politics, respectively, not doing much to reach out to the  
center: the highest either has polled in recent memory is 16  
percent. A strong leader has dominated each until recently:  
former president and PM Algirdas Brazauskas, now retired, for  
the Social Democrats, and Vytautas Landsbergis, currently an  
MEP and formerly chair of the Conservatives. Neither current

SocDem PM Gediminas Kirkilas nor former PM and current Conservative party chair Andrius Kubilius has broad personal appeal.

¶6. (U) The Viktor Uspaskich-led Labor Party was the big winner in its electoral debut in 2004. Despite Uspaskich spending more than a year in Moscow to avoid prosecution in a party financing fraud case that is still pending, the party is in third place in most polls, getting a considerable and sustained bounce since his return to Lithuania in September 2007. Uspaskich is a self-made millionaire, an ethnic Russian who immigrated to Lithuania in Soviet times. He is often described as engaging and funny and having the air of a common man.

¶7. (U) Order and Justice, the party of Rolandas Paksas, the former President who was impeached in 2004, is routinely in first or second place in the polls. For a large minority of Lithuanians, Paksas has the image of a near mythic hero -- an airplane stunt pilot, a principled fighter of corruption, a President unfairly brought down by an elite clique that could not tolerate an upstart outsider as head of state. Because of Paksas's impeachment, he cannot run for the Seimas. But his personal popularity is the driving force behind his party.

¶8. (C) Paksas and Uspaskich both portray themselves as persecuted victims of a corrupt elite. Much of the electorate is so distrustful of politicians that it accepts this portrayal. Public distrust is not without reason -- continuous scandals regularly remind the public that corruption exists at petty and high levels -- and it is hard to discount entirely the "corrupt elite" notion. Paksas's

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and Uspaskich's appeal stems from their promises to help average Lithuanians and clean up corruption, although the promises come without concrete policies. The traditional parties, who have alternately held power for most of the period since independence in 1990, put out more substantive party platforms, but do little to reach out to the vast center or expand their party base.

Who shall lead?

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¶9. (C) Despite their strong position, political observers we spoke with predict the populist parties will not hold real power after the elections. Alvydas Medalinskas, a commentator and former Paksas advisor, predicted an even more fractured Seimas than the current one. Audrius Baciulis, political correspondent for the leading news weekly Veidas, told us he thinks the Social Democrats will find a way to maintain their grip on power. He and others noted to us that in 2004 Labor won by far the most seats in the Seimas but settled for a minor role in the ruling coalition while the Social Democrats took the PM spot. Then, after Labor collapsed in 2006, the Social Democrats consolidated their hold on power. The theory that the Social Democrats will retain power is reinforced by the widely held view that only the Social Democrats have enough competent leaders to run the Government.

¶10. (C) Another widely held view is that if either populist party manages to lead a coalition it will be fragile and will collapse -- as Labor fell in 2006 and as Paksas fell from the Presidency in 2004. Politicians, political commentators, and average Lithuanians, as well as the populists themselves, tend to believe this. And for Order and Justice, just getting into a coalition might be challenging; one comment we hear repeatedly is that Order and Justice would be the major parties' last choice for a coalition partner.

¶11. (C) Although it is too early to predict, two coalitions currently seem the most likely possibilities. The first would be a rainbow coalition for Conservatives, Liberal Movement, Liberal and Center Union, and Social Democrats.

Conservative Party Chairman Andrius Kubilius told us he believes this would be the most likely coalition for his Party. Another possibility is a Social Democrat-led left-center coalition, in many ways similar to the coalition currently in power but with the possible inclusion of Labor. Less likely is a coalition led by the two populist parties. Although they have expressed a willingness to work together, without the support of another party or two in the coalition, the populists would lack real experience in governing.

What Would a Populist Mean for Us?

¶12. (C) Given the ongoing investigation into the fraud allegations against the Party and Uspaskich, a return of Labor to power would perhaps not be the best development for transparency in Lithuanian government. That said, the impact on bilateral relations would not necessarily be negative. Uspaskich was Minister of Economy in 2004-2005 and Post maintained good relations with him at that time. If the widespread allegations that Uspaskich receives funding from Moscow are true, however, there is a legitimate concern that he might draw Lithuania closer to Russia.

¶13. (C) A return of Order and Justice to power would be another matter. Although Paksas was, by all accounts, pro-American as President, of late he has been vocal in calling for closer ties with Russia and has been critical of Lithuania being too close to the United States. He recently said in an interview with a radical daily, "Sometimes it seems that Lithuania has become a U.S. protectorate and an obedient implementer of American policy in this region." He and others in his party also have made irresponsible statements counter to inclusive, democratic values. In May 2007, Vilnius Mayor Juozas Imbrasas, an Order and Justice party member and loyal defender of Paksas during impeachment, supported the city's refusal to grant the Lithuanian Gay League a permit to display the rainbow flag in the city and refusal of a permit for a European Commission information campaign promoting diversity. In November 2007, Imbrasas mocked a city employee for taking paternity leave: "I am outraged that this young, handsome, active man...took paternity leave. Everyone's murmuring, laughing at (him)." One Order and Justice MP, Marija Ausrine Pavilioniene, left the party in May 2007, calling the party "homophobic."

¶14. (C) Post has quietly worked to remind Paksas of the value of working with America, but for some voters, our closeness to Lithuania means that bashing America is the equivalent of bashing the GOL, and that is a popular pastime.

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While he might feel comfortable being friendlier once his party is in power, we would not guarantee it.

Comment

¶15. (C) Were we betting people, even we would not bet on which parties will end up in the next government. That said, the chances of a major shift in Lithuanian policies that would put them in conflict with our interests are unlikely. A greater risk will be a fractious coalition with no strong head to lead Lithuania in strengthening its democratic institutions and to guide it through the widely-expected upcoming economic downturn.

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